

Message Text

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ACTION L-03

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DEPT L FOR FELDMAN, EB FOR MEISSNER

PARIS FOR OECD

E.O. 11652: N/A
TAGS: EINV
SUBJECT: UN COMMISSION ON TRANSNATIONAL CORPORATIONS:
DISCUSSION ON ILLICIT PAYMENTS

1. RAPPORTEUR (ACEMAH, UGANDA) REVIEWED UNEDITED TEXT
OF REPORT OF WORKING GROUP AND ITS RECOMMENDATIONS.
(INDICATIVE OF FAILURE OF SECRETARIAT SUPPORT HAMPERING
THE WORK OF THE COMMISSION HERE, REPORT IN FINAL NEVER
ARRIVED FROM NEW YORK). ACEMAH NOTED THAT A RESUMED
SESSION OF THE GROUP HAD NOW BEEN ARRANGED FOR JUNE IN
NEW YORK.

2. US DEL, FOLLOWING CAUTIONARY INTERVENTION BY FRENCH
DEL (BELOW), NOTED THE GREAT PROGRESS BEING MADE BY THE
GROUP, AND WELCOMED THE ARRANGEMENTS FOR THE JUNE MEETING
WHICH WE HOPED WOULD CONTINUE PROGRESS TOWARDS REMOVING
REMAINING DIFFICULTIES IN TEXT. US NOTED ITS INTENTION
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TO JOIN WITH OTHERS AT SUMMER ECOSOC TO SEEK CONSENSUS
ON EARLY CONVENING OF A DIPLOMATIC CONFERENCE TO CONCLUDE
AN AGREEMENT. US DEL REQUESTED COMMISSION TO TAKE NOTE
OF THE REPORT, AND OFFER ITS ENDORSEMENT OF THE WORK OF
THE GROUP.

3. OTHER INTERVENTIONS, LARGELY BRIEF AND NON-SUBSTAN-

TIVE, WERE UNIFORMLY SKEPTICAL OF UTILITY OF MOVING TOWARDS AN EARLY CONFERENCE IN LIGHT OF REMAINING PROBLEMS IN THE DRAFT. FRENCH DEL (BAUCHARD) NOTED FRENCH CONTRIBUTIONS TO WORK OF GROUP, AND ITS PROGRESS, BUT STRESSED THE QUANTITY OF REMAINING BRACKETED AND UNDISCUSSED ELEMENTS IN THE TEXT WHICH WOULD REQUIRE "CAREFUL SCRUTINY". HE ALSO AMBIGUOUSLY NOTED THAT THE GROUP HAD NOT DISCUSSED AT ALL PART B MEASURES OTHER THAN AN AGREEMENT TO COMBAT CORRUPT PRACTICES (US DEL CONFIRMED WITH FRENCH PRIVATELY THAT THEY DID NOT INTEND IMPLICATION THAT DISCUSSIONS OF PART B ISSUES WERE A PRECONDITION TO PROCEEDING WITH AGREEMENT). HE EXPRESSED DOUBT JUNE SESSION WOULD ARRIVE AT A "FINAL" TEXT. WHILE HE SAW AN URGENT NEED FOR AN AGREEMENT, CONVOCAION OF A DIPLOMATIC CONFERENCE WAS DEPENDENT ON EMERGENCE OF A CONSENSUS ON THE DRAFT TEXT. UK, FRG, AND ITALIAN DELS TOOK SIMILAR LINE ON STATUS OF WORK AND CONVENING OF A CONFERENCE, AND SECONDED US PROPOSAL THAT COMMISSION ENDORSE WORK OF GROUP.

4. SWEDEN (NIKLASSON) NOTED ANTICOMPETITIVE DISTORTIONS CAUSED BY ILLICIT PAYMENTS AND THEIR ULTIMATE IMPACT ON CONSUMERS, AND EXPRESSED HOPE THAT JUNE MEETING OF GROUP WOULD PRODUCE A DRAFT TO ENABLE AGREEMENT AT ECOSOC ON SCHEDULING A CONFERENCE. SWISS DEL (LEVY) IN GENERAL REMARKS EXPRESSED HOPE FOR RAPID, CONCRETE RESULTS FROM LIMITED OFFICIAL USE

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JUNE SESSION, AND STRESSED THAT THE WORK OF THE GROUP SHOULD BE FOCUSED ON THE TASK OF PRODUCING THE AGREEMENT. NETHERLANDS (SANDERS) CONFINED REMARKS TO OBJECTION TO NARROW AGENDA DESCRIPTION OF ITEM AS CORRUPT PRACTICES "OF TNCs", WHICH WAS SECONDED BY ITALIAN (COMMENT: THIS HAS BEEN CORRECTED IN PROPOSED AGENDA FOR FIFTH COMMISSION MEETING).

5. ZAMBIAN (CHABALU), ON BEHALF OF AFRICAN GROUP, STRESSED IMPORTANCE OF CHAPTER III ISSUES, AND DISCUSSION OF SOUTHERN AFRICA IN DEPTH BY THE WORKING GROUP. IN THE LIGHT OF THE DEBATE JUST HELD BY THE COMMISSION ON SOUTHERN AFRICA, HE SAID THAT THE AFRICAN GROUP EXPECTED FORTHCOMING WORKING GROUP SESSION TO ADDRESS THIS MATTER, AND TO AVOID QUESTIONING THE RELEVANCE OF SOUTHERN AFRICA ISSUES TO ITS WORK.

6. USSR DEL (SHCHERININ), DESCRIBING CORRUPT PRACTICES AS "POLITICAL CRIME", TOOK STERN LINE ON GROUP REPORT. HE OBJECTED TO COMMISSION ENDORSEMENT OF WORK OF GROUP -- THE COMMISSION SHOULD MERELY THANK THEM -- BECAUSE THERE WERE "LESS PROBLEMS SETTLED THAN LEFT IN ABEYANCE" IN

THE BRACKETED TEXT. TURNING TO U.S. DEL, HE TERMED CALL FOR A CONFERENCE "CLEARLY PREMATURE", AND SAID THAT A CONFERENCE BASED ON PRESENT STATE OF WORK WOULD FAIL WITHOUT DOUBT. HE ALSO NOTED LINKAGE OF ISSUE TO CODE OF CONDUCT, AND EMPHASIZED THAT THE PROBLEM IS ONE CAUSED BY TNCS.

7. COMMENT: NOTWITHSTANDING USSR INTERVENTION, REPORT OF COMMISSION WILL TAKE NOTE OF REPORT AND ENDORSE THE WORK OF THE GROUP. BORG

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